

NBP
PAKISTAN GROWTH
EXCHANGE TRADED FUND

ANNUAL REPORT
2024

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director
Mr. Faisal Ahmed*	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Faisal Ahmed*	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed*	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

* Pending SECP approval

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahr-e-Faisal, Karachi.

Bankers to the Fund

Habib Metropolitan Bank Limited
JS Bank Limited



Auditors

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

Akhund Forbes
D-21, Block, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor, Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2&4

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Saad Amanullah Khan
Director



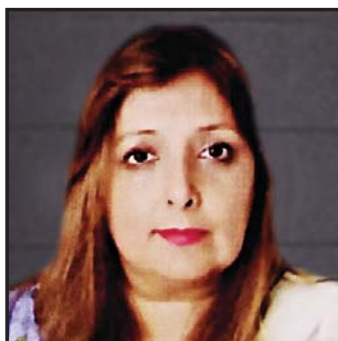
Mr. Faisal Ahmed*
Director



Mr. Ali Saigol
Director



Mr. Ruhail Muhammad
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

* Pending SECP approval

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Business
Development Officer



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Shahzad Mithani
Head of Corporate &
HNWIs Sales - South



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Hassan Raza, CFA
Head of Research



Mr. Mustafa Farooq
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Fourth Annual Report for the period ended June 30, 2024, since launch of **NBP Pakistan Growth Exchange Traded Fund** on October 06, 2020.

Fund's Performance

FY24 was a stellar year for the stock market, as the benchmark KSE-100 index achieved new highs, settling slightly above 78,000 points at period end. During the year, the benchmark Index surged by around 37,000 points, translating into a phenomenal return of 89% in PKR terms and 94% in USD terms, making Pakistan the best performing stock market in the world.

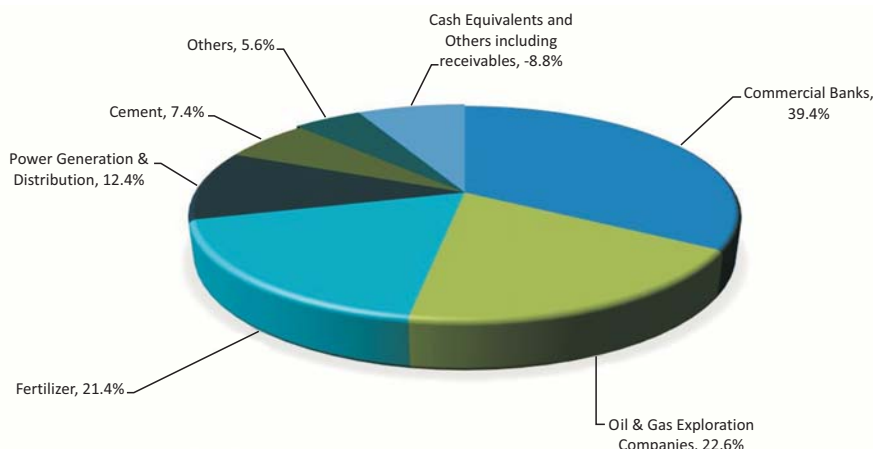
The equities started off on a firm footing and the strong momentum continued throughout the year. The signing of the Staff Level Agreement (SLA) with IMF on June 29th, 2023 was the turning point for stock market. The IMF executive board approved USD 3 billion Stand-By Agreement (SBA) that paved way for other multi-lateral loans and inflows from friendly countries. The multiple loan tranches from IMF and deposits from KSA & UAE augmented the FX reserves, averted a possible balance of payment (BoP) crisis, and helped restore investors' confidence. Fitch also upgraded Pakistan's Long-Term Foreign Currency Issuer Rating. In tandem with SLA, Pakistan's dollar bonds rallied in the international market as bond prices across various tenures surged in the range of 66-93% during the period, reflecting increasing investors' optimism of improving external position. Multilateral inflows, particularly from ADB and World Bank, also gained momentum. Consequently, the SBP's FX reserves improved from USD 4.4 billion to USD 9.4 billion at period end. The improving reserves, coupled with a crackdown against illicit currency trade in the open market brought calm in currency market. Owing to prudent policies, the economy also showed signs of stabilization. The general elections, though remained marred by accusations of irregularities, were carried out smoothly in February and helped bring down the political uncertainty. The provisional GDP growth for FY24 improved to 2.38% from 0.21% contraction a year ago, driven by robust agricultural growth. Continuing the improving trend on the external side, the current account deficit (CAD) further dropped to USD 665 mn, compared to USD 3.3 bn in the previous year. Average inflation remained elevated during 1H, however, it precipitated considerably in the latter half, averaging 23.4% for FY24. The waning inflation prompted the Monetary Policy Committee (MPC) to gradually start with an easing cycle, with 150 bps cut taking place towards the end of FY24. Secondary market yields across various tenures fell sharply from their peak, reflecting investors' optimism of significant rate cuts in the next year. The listed corporate space continued to declare impressive results with equally robust dividend announcements. In a significant development, one of the largest auto players delisted its shares from the bourse with the delisting price at least 7x higher than the prevailing price, handing over significant liquidity to investors and igniting strong interest in the market.

In terms of sector-wise performance, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Commercial Banks, Engineering, Fertilizer, Leather & Tanneries, Pharmaceutical, Power Generation & Distribution, Refinery, and Transport sectors outperformed the market. On the other hand, Cement, Chemicals, Food & Personal Care, Glass & Ceramics, Insurance, Investment Banks/Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Paper & Board, Sugar & Allied, Technology & Communication, and Textile Composite sectors lagged behind the market. Regarding participants' market activity, Foreigners, Insurance and Companies emerged as the largest net buyers with inflows of around USD 141 million, USD 126 million, and USD 36 million, respectively. Conversely, Banks/DFIs and Individuals reduced their net holdings by around USD 141 million and USD 60 million, respectively.

During the fiscal year, NBP Pakistan Growth Exchange Traded Fund increased by 85.4% versus the Benchmark increased by 92.9% translating into an underperformance of 7.5% during the year. Tracking error for the period was 0.05%. Since inception, NBP Pakistan Growth Exchange Traded Fund increased by 98.1% versus the Benchmark increased by 119.6%. Thus, the Fund underperformed the Benchmark by 21.5% during the period under review. Tracking error for the period was 0.06%. The stocks in the NBPGETF belong to Chemical, Commercial Banks, Cements, Fertilizers, Oil & Gas Exploration, Power Generation & Distribution, and Technology & Communication sectors. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 88 million.

NBPGETF has earned total income of Rs. 46.95 million during the year. After deducting total expenses of Rs. 1.54 million, the net income is Rs. 45.41 million. During the year, the unit price of NBPGETF has increased from Rs. 9.4840 (Ex-Div) on June 30, 2023 to Rs. 15.9033 (Ex-Div) on June 30, 2024. The resultant per unit gain is Rs.6.4193 i.e.67.69%.

The asset allocation of the Fund as on June 30, 2024 is as follows:



Interim Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.46% of the opening ex-NAV (3.40% of the par value) for the year ended June 30, 2023.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, as reduced by accumulated losses and capital gains, whether realized or unrealized, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs Yousuf Adil Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2025.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the year. The attendance of all directors is disclosed in the note 27 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 26 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2024, the Board included:

Category	Names
Independent Directors	<ol style="list-style-type: none"> 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Ruhail Muhammad
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none"> 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **October 30, 2024**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 06 اکتوبر 2020 کو آغاز ہونے والے NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کی چوتھی سالانہ رپورٹ برائے ختمہ سال 30 جون 2024ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

مالی سال 2024 اسٹاک مارکیٹ کے لیے شاندار ارسال رہا کیونکہ ٹیچ مارک KSE-100 انڈیکس نے نئی بلندیوں کو حاصل کیا اور مدت کے اختتام پر 78,000 پوائنٹس سے زائد پر بند ہوا۔ سال کے دوران ٹیچ مارک انڈیکس میں تقریباً 37,000 پوائنٹس کا اضافہ ہوا جس کے نتیجے میں پاکستانی روپیہ میں 89 فیصد اور امریکی ڈالر کے لحاظ سے 94 فیصد کا غیر معمولی منافع ہوا جس سے پاکستان دنیا میں بہترین کارکردگی کا مظاہرہ کرنے والی اسٹاک مارکیٹ بن گیا۔

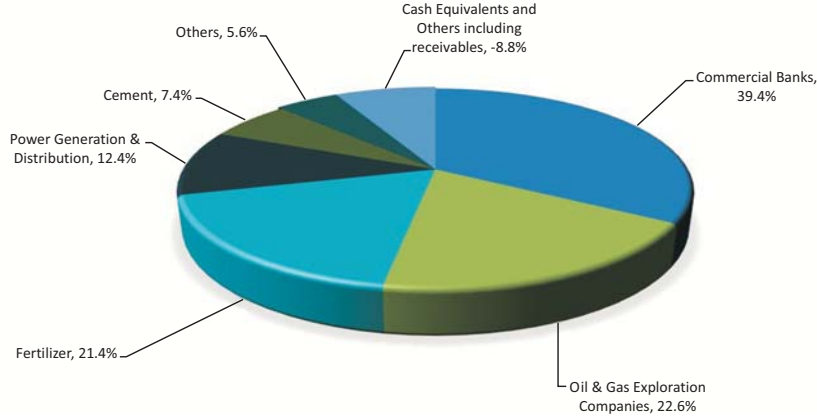
ایکویٹیوں کا آغاز مضبوط بنیادوں پر ہوا اور پورا سال مستحکم رفتار جاری رہی۔ 29 جون 2023 کو آئی ایم ایف کے ساتھ اسٹاف لیول ایگریمنٹ (ایس ایل اے) پر دستخط اسٹاک مارکیٹ کے لیے ٹرننگ پوائنٹ تھا۔ آئی ایم ایف کے ایگزیکٹو بورڈ نے 3 بلین امریکی ڈالر کے اسٹیٹڈ بائی ایگریمنٹ (ایس بی اے) کی منظوری دی جس سے دوست ممالک سے دیگر کثیرالجہتی قرضوں اور سرمایہ کاری کی راہ ہموار ہوئی۔ آئی ایم ایف کی جانب سے قرضوں کی متعدد منتقلیوں اور سعودی عرب اور متحدہ عرب امارات کے ڈیپازٹس سے زرمبادلہ کے ذخائر میں اضافہ ہوا، ادائیگیوں کے توازن (بی او پی) کے نمائندہ بحران کو نال دیا گیا اور سرمایہ کاروں کا اعتماد بحال کرنے میں مدد ملی۔ فنڈ نے پاکستان کی طویل مدتی فارن کرنسی ایبھورٹینگ کو بھی اپ گریڈ کیا ہے۔ ایس ایل اے کے ساتھ ساتھ بین الاقوامی مارکیٹ میں پاکستان کے ڈالر بانڈز میں اضافہ ہوا کیونکہ اس عرصے کے دوران مختلف ادوار میں بانڈز کی قیمتوں میں 66 سے 93 فیصد تک اضافہ ہوا جو سرمایہ کاروں کی بیرونی پوزیشن کو بہتر بنانے کی بڑھتی ہوئی امید کی عکاسی کرتا ہے۔ خاص طور پر ایشیائی ترقیاتی بینک اور عالمی بینک کی جانب سے کثیرالجہتی آمد میں بھی تیزی آئی ہے۔ نیٹجیٹا اسٹیٹ بینک پاکستان کے زرمبادلہ کے ذخائر سال کے اختتام پر 4.4 بلین ڈالر سے بڑھ کر 9.4 بلین ڈالر ہو گئے۔ زرمبادلہ کے ذخائر میں بہتری اور اوپن مارکیٹ میں کرنسی کے خلاف کریک ڈاؤن نے کرنسی مارکیٹ میں سکون پیدا کیا۔ دانشمندانہ پالیسیوں کی وجہ سے معیشت میں استحکام کے آثار بھی نظر آئے۔ عام انتخابات پر اگرچہ بے ضابطگیوں کے الزامات ہیں لیکن فروری میں یہ انتخابات آسانی سے منعقد ہوئے اور سیاسی غیر یقینی صورتحال کو کم کرنے میں مدد ملی۔ زرعی نمونے فروغ کی بدولت، مالی سال 24 کے لئے پروڈنٹل جی ڈی پی نمونیک سال پہلے کی 0.21 فیصد کمی سے بہتر ہو کر 2.38 فیصد ہو گئی۔ بیرونی سطح پر بہتری کے رجحان کو جاری رکھتے ہوئے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) گزشتہ سال کے 3.3 بلین ڈالر کے مقابلے میں مزید کم ہو کر 665 بلین ڈالر رہ گیا۔ پہلی ششماہی کے دوران اوسط افراط زر میں اضافہ ہوا، تاہم دوسری ششماہی میں اس میں نمایاں کمی واقع ہوئی، جو مالی سال 24ء میں اوسطاً 23.4 فیصد رہی۔ افراط زر میں کمی نے مانیٹری پالیسی کمیٹی (ایم پی سی) کو بتدریج نرمی کا سائیکل شروع کرنے پر مجبور کیا، جس میں مالی سال 24 کے اختتام تک 150bps کی کمی کی گئی۔ مختلف ادوار میں ثانوی مارکیٹ کے شرح منافع میں اپنے عروج سے تیزی سے کمی واقع ہوئی ہے، جو اگلے سال میں سرمایہ کاروں کی شرح سود میں نمایاں کمی کی امید کی عکاسی کرتی ہے۔ لہذا کارپوریٹ سسٹمز نے یکساں طور پر مستحکم منافع کے اعلانات کے ساتھ متاثر کن نتائج کا اعلان جاری رکھا۔ ایک اہم پیش رفت میں، سب سے بڑی آٹو کمپنیوں میں سے ایک نے اپنے حصص کو موجودہ قیمت سے کم از کم 7 گنا زیادہ قیمت کے ساتھ اسٹاک ایکسچینج سے خارج کر دیا، جس سے سرمایہ کاروں کو نمایاں لیکویڈیٹی سونپی گئی اور مارکیٹ میں زبردست دلچسپی پیدا ہوئی۔

سکینڈاویجیائی کارکردگی کے لحاظ سے آٹو اسمبلرز، آٹو پارٹس اینڈ سیسٹمز، کیبل اینڈ الیکٹریکل ایشیا، کمرشل بینکنگ، فریٹ لائزر، لیڈر اینڈ ٹیچرز، فارماسیوٹیکل، پاور جنریشن اینڈ ڈسٹری بیوٹن، ریٹائریٹی اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب سیمنٹ، کیمیکلز، فوڈ اینڈ پراسسنگ، گلاس اینڈ سٹیل، انشورنس، انویسٹمنٹ بینک/کمپنیاں، متفرق، تیل و گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، شوگر اینڈ لاجی اینڈ کیمیکلیشن اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، غیر ملکی انشورنس اور کمپنیاں بالترتیب 141 بلین امریکی ڈالر، 126 بلین امریکی ڈالر اور 36 بلین امریکی ڈالر کی آمد کے ساتھ سب سے بڑے خالص خریدار رہے۔ اس کے برعکس بینکنگ/DFIs اور افراد نے اپنی خالص ہولڈنگز کو بالترتیب 141 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر تک کم کر دیا۔

مالی سال کے دوران، NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ 92.9% ٹیچ مارک اضافہ کے مقابلے میں 85.4% تک زیادہ ہوئی اسی سال کے دوران 7.5% کی ایتر کارکردگی ظاہر کی۔ اس مدت کے لئے ٹریڈنگ ایر 0.05% تھا۔ اپنے آغاز سے، NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ 119.6% ٹیچ مارک میں اضافہ کے بخلاف 98.1% تک اضافہ ہوا۔ زیر جائزہ سال کے دوران 21.5% ٹیچ مارک کی ایتر کارکردگی ظاہر کی۔ اس مدت کے لئے ٹریڈنگ ایر 0.06% تھا۔ NBPGETF میں ذخائر کیبیکل، کمرشل بینکنگ، سیمنٹ، کھادوں، تیل اور گیس ایکسپلوریشن، بجلی کی پیداوار اور تقسیم، تیل اور گیس مارکیٹنگ سیکٹرز اور کیمیکلیشن سیکٹرز سے متعلقہ ہیں۔ یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔ فنڈ کا سائز 88 بلین روپے ہے۔



فنڈ کو سال کے دوران 46.95 ملین روپے کی کل آمدنی ہوئی۔ 1.54 ملین روپے کے کل اخراجات منہا کرنے کے بعد خالص آمدنی 45.41 ملین روپے ہے۔ سال کے دوران NBPGETF کے پونٹ کی قیمت 30 جون 2023 کو 9.4840 روپے (Ex-Div) سے بڑھ کر 30 جون 2024 کو 15.9033 روپے (Ex-Div) ہو گئی۔ فی پونٹ منافع 67.69 فیصد رہا۔ 30 جون 2024 کے مطابق NBPGETF کی ایسٹ ایلوکیشن حسب ذیل ہے:



آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 18.52 فیصد (بنیادی قیمت کا 17.57 فیصد) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

میکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر آگم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2025 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی بیرونی میں ڈائریکٹرز اسٹیٹمنٹ

- 1 مینیجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل بیرونی کی گئی ہے۔ شماتیاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی بیرونی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو توہی نہیں کی گئی۔
- 8 پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔



- 11 بونٹ ہولڈنگ کا تفصیلی بیٹرن مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، ای ای او، ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے بٹنس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریٹ نہیں رکھتی۔ 30 جون 2024 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں۔

نام	کیٹگری
<ul style="list-style-type: none"> •1 خالد منصور •2 سعد مان اللہ خان •3 روہیل محمد 	آزاد ڈائریکٹرز
ڈاکٹر احمد وحید۔ چیف ایگزیکٹو آفیسر	ایگزیکٹو ڈائریکٹر
<ul style="list-style-type: none"> •1 شیخ محمد عبدالواحد سیٹھی (چیئرمین) •2 توقیر مظہر •3 محترمہ مہناز سالار •4 علی سہگل •5 عمران ظفر 	نان ایگزیکٹو ڈائریکٹر

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر بونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاک ہولڈرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2024ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Pakistan Growth Exchange Traded Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, October 30, 2024

FUND MANAGER REPORT

NBP Pakistan Growth Exchange Traded Fund

NBP Pakistan Growth Exchange Traded Fund is an Open-ended Exchange Traded Fund

Investment Objective of the Fund

NBP Pakistan Growth Exchange Traded Fund (NBPGETF) aims to track the authorized benchmark index as per the investment methodology constituted by the Management Company.

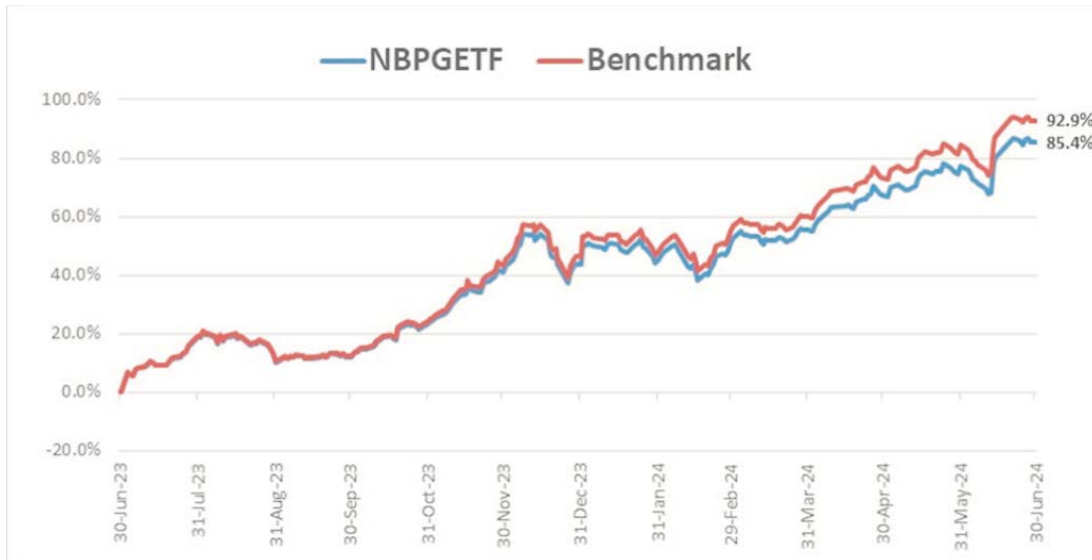
Benchmark

The Benchmark of the Fund is NBP Pakistan Growth Index (NBPPGI).

Fund performance review

This is the Fourth annual report of the Fund. During the fiscal year, NBP Pakistan Growth Exchange Traded Fund increased by 85.4% versus the Benchmark increased by 92.9% translating into an underperformance of 7.5% during the year. Tracking error for the period was 0.05%. Since inception, NBP Pakistan Growth Exchange Traded Fund increased by 98.1% versus the Benchmark increased by 119.6%. Thus, the Fund underperformed the Benchmark by 21.5% during the period under review. Tracking error for the period was 0.06%. The stocks in the NBPGETF belong to Chemical, Commercial Banks, Cements, Fertilizers, Oil & Gas Exploration, Power Generation & Distribution, Oil & Gas Marketing sectors and Technology & Communication sectors. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 88 million.

The chart below shows the performance of NBPGETF against the Benchmark for the period under review.



FY24 was a stellar year for the stock market, as the benchmark KSE-100 index achieved new highs, settling slightly above 78,000 points at period end. During the year, the benchmark Index surged by around 37,000 points, translating into a phenomenal return of 89% in PKR terms and 94% in USD terms, making Pakistan the best performing stock market in the world.

The equities started off on a firm footing and the strong momentum continued throughout the year. The signing of the Staff Level Agreement (SLA) with IMF on June 29th, 2023 was the turning point for stock market. The IMF executive board approved USD 3 billion Stand-By Agreement (SBA) that paved way for other multi-lateral loans and inflows from friendly countries. The multiple loan tranches from IMF and deposits from KSA & UAE augmented the FX reserves, averted a possible balance of payment (BoP) crisis, and helped restore investors' confidence. Fitch also upgraded

Pakistan's Long-Term Foreign Currency Issuer Rating. In tandem with SLA, Pakistan's dollar bonds rallied in the international market as bond prices across various tenures surged in the range of 66-93% during the period, reflecting increasing investors' optimism of improving external position. Multilateral inflows, particularly from ADB and World Bank, also gained momentum. Consequently, the SBP's FX reserves improved from USD 4.4 billion to USD 9.4 billion at period end. The improving reserves, coupled with a crackdown against illicit currency trade in the open market brought calm in currency market. Owing to prudent policies, the economy also showed signs of stabilization. The general elections, though remained marred by accusations of irregularities, were carried out smoothly in February and helped bring down the political uncertainty. The provisional GDP growth for FY24 improved to 2.38% from 0.21% contraction a year ago, driven by robust agricultural growth. Continuing the improving trend on the external side, the current account deficit (CAD) further dropped to USD 665 mn, compared to USD 3.3 bn in the previous year. Average inflation remained elevated during 1H, however, it precipitated considerably in the latter half, averaging 23.4% for FY24. The waning inflation prompted the Monetary Policy Committee (MPC) to gradually start with an easing cycle, with 150 bps cut taking place towards the end of FY24. Secondary market yields across various tenures fell sharply from their peak, reflecting investors' optimism of significant rate cuts in the next year. The listed corporate space continued to declare impressive results with equally robust dividend announcements. In a significant development, one of the largest auto players delisted its shares from the bourse with the delisting price at least 7x higher than the prevailing price, handing over significant liquidity to investors and igniting strong interest in the market.

In terms of sector-wise performance, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Commercial Banks, Engineering, Fertilizer, Leather & Tanneries, Pharmaceutical, Power Generation & Distribution, Refinery, and Transport sectors outperformed the market. On the other hand, Cement, Chemicals, Food & Personal Care, Glass & Ceramics, Insurance, Investment Banks/Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Paper & Board, Sugar & Allied, Technology & Communication, and Textile Composite sectors lagged behind the market. Regarding participants' market activity, Foreigners, Insurance and Companies emerged as the largest net buyers with inflows of around USD 141 million, USD 126 million, and USD 36 million, respectively. Conversely, Banks/DFIs and Individuals reduced their net holdings by around USD 141 million and USD 60 million, respectively.

Particulars	30-Jun-24	30-Jun-23
Equities / Stocks	108.8%	98.2%
Cash Equivalents	2.7%	3.9%
Other Net Liabilities	(11.5%)	(2.1%)
Total	100.00%	100.00%

Distribution for the Financial Year 2024

Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex-Div. Price
Interim	1.7565	17.7693	16.0128

Unit Holding Pattern of NBP Pakistan Growth Exchange Traded Fund as on June 30, 2023

Size of Unit Holding (Units)	# of Unit Holders
100001-500000	1
5000001-10000000	1
Total	2

During the period under question:

There has been no significant change in the state of affairs of the Fund. NBP Money Market Fund does not have any soft commission arrangement with any broker in the industry.

INDEPENDENT AUDITORS' REPORT

To the unit holders of NBP Pakistan Growth Exchange Traded Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **NBP Pakistan Growth Exchange Traded Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and NBP Fund Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment (Refer Note 2.4 of the financial statements)</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represents 108.80% of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in Equity Securities, which is the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<p>In this respect, we performed the following procedures:</p> <ul style="list-style-type: none"> Reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls; Independently verified the existence of investments from the Central Depository Company (CDC) account statement; Tested valuation of investments by independently tracing rate to externally quoted market prices from the Pakistan Stock Exchange (PSX); and Differences, if any, identified during our testing that were over our acceptable threshold were investigated further.

Other Matter

The annual financial statement of the Fund for the year ended June 30, 2023, were audited by another firm of chartered accountants, whose audit report dated September 21, 2023, expressed an unmodified opinion.

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management Company and Board of Directors of the Management Company for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

The Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants
Karachi
Date: October 30, 2024
UDIN: AR20241009102ArgtXaJ

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
ASSETS			
Bank balances	5	2,353	2,073
Investments	6	96,206	52,680
Dividend and profit receivable	7	331	7
Advance tax	8	63	63
Total assets		98,953	54,823
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	9	20	20
Payable to Central Depository Company of Pakistan Limited - Trustee	10	9	5
Payable to Securities and Exchange Commission of Pakistan	11	7	11
Dividend payable		9,766	764
Accrued expenses and other liabilities	12	729	384
Total liabilities		10,531	1,184
NET ASSETS		88,422	53,639
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		88,422	53,639
CONTINGENCIES AND COMMITMENTS			
	13		
		---- Number of units ----	
NUMBER OF UNITS IN ISSUE	14	5,560,000	5,460,000
		----- Rupees -----	
NET ASSETS VALUE PER UNIT		15.9033	9.8240

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- (Rupees in '000) -----	-----
INCOME		
Profit on bank balances	506	266
Dividend income	8,428	6,402
Gain on sale of investments - net	2,055	510
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - FVTPL	35,003	(3,122)
	<u>37,058</u>	<u>(2,612)</u>
Total income	45,992	4,056
EXPENSES		
Remuneration of NBP Fund Management Limited - Management Company	9.1 -	197
Sindh Sales Tax on remuneration of Management Company	9.2 -	26
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 74	54
Sindh Sales Tax on remuneration of Trustee	10.2 10	7
Annual fee - Securities and Exchange Commission of Pakistan	11.1 70	11
Annual listing fee	27	11
Securities transaction cost	78	35
Auditors' remuneration	15 597	573
Professional charges	174	165
Settlement and bank charges	405	113
Printing charges	101	58
Total expenses	1,536	1,250
Net income from operating activities	44,456	2,806
Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	957	(16)
Net income for the year before taxation	45,413	2,790
Taxation	16 -	-
Net income for the year after taxation	45,413	2,790
Accounting income available for distribution:		
- Relating to capital gains	37,058	-
- Excluding capital gains	8,355	2,790
	<u>45,413</u>	<u>2,790</u>
Earnings per unit	17	

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
Net income for the year after taxation	45,413	2,790
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>45,413</u>	<u>2,790</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- (Rupees in '000) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	45,413	2,790
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at FVTPL	6.2 (35,003)	3,122
Element of losses / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(957)	16
	(35,960)	3,138
Increase in assets		
Investments - net	(8,523)	(7,030)
Dividend and profit receivable	(324)	3
	(8,847)	(7,027)
Increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	-	(37)
Payable to Central Depository Company of Pakistan Limited - Trustee	4	-
Payable to Securities and Exchange Commission of Pakistan	(4)	(1)
Dividend payable	9,002	764
Accrued expenses and other liabilities	345	118
	9,347	844
Net cash generated from / (used in) operating activities	9,953	(255)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	2,570	97
Amount paid against redemption of units	(630)	(492)
Cash dividend	(11,613)	(764)
Net cash used in financing activities	(9,673)	(1,159)
Net increase / (decrease) in cash and cash equivalents during the year	280	(1,414)
Cash and cash equivalents at the beginning of the year	2,073	3,487
Cash and cash equivalents at the end of the year	2,353	2,073
	5	

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Pakistan Growth Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 08, 2020 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 03, 2020 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.4 The Fund has been categorised as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of NBP Pakistan Growth Index that has been constituted and is maintained by the Management Company and comprises of 15 equity securities selected with high consideration towards market capitalisation and traded value.
- 1.5 The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at June 21, 2024 (2023: AM1 on June 22, 2023) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.7 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.8 The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on PSX.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.1.2** The SECP vide SRO 800 (I)/2021 dated June 22, 2021 modified the effective date for applicability of International Financial Reporting Standard 9 (IFRS 9) - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period / year ending on or after June 30, 2022 (earlier application permitted)". As permitted, the Fund had already applied IFRS-9 during the year ended June 30, 2019 with the exception of below mentioned impairment requirements as referred in note 2.1.3 of these financial statements.
- 2.1.3** The SECP vide letter ref SCD / AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard 9 (IFRS 9) "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Accounting convention

These financial statements are prepared under the historical cost convention except for investments which are carried at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year is included in the following notes:

- (a) Valuation of investment (4.2.5);
- (b) Provisions (Note 4.4); and
- (c) Classification and impairment of financial assets (Notes 4.2.2.1 and 4.2.3).

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies.

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting periods beginning on or after:

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

During the year, the Fund adopted Disclosure of Accounting Policies (Amendment to IAS 01) effective for annual reporting periods beginning on or after January 1, 2023. The amendment required the disclosure of 'material', rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies themselves.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

The Fund applied IFRS 9 (refer note 2.1.2) except for impairment requirements for which the Fund has continued to follow the requirements of SECP (refer note 2.1.3).

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Amortised cost (AC);
- At fair value through other comprehensive income (FVTOCI); and
- At fair value through profit or loss (FVTPL).

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Financial asset at FVTOCI

A financial asset is classified at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI), and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of equity instrument, when the financial asset is derecognised, there is no subsequent reclassification of fair value gains and losses to income statement.

Financial asset at FVTPL

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Other business model: This includes equity securities. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated

with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Amortised Cost (AC), or
- At fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL, and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement

4.2.3 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD / AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

4.2.5 Fair value measurement principles and provision

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments is determined as follows:

Basis of valuation of equity investments

Equity investments are marked-to-market on the basis of rates at year end date as quoted on PSX, as all equity investments are made in listed securities only.

4.2.6 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, to its unit holders.

4.6 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.7 Issuance and redemption of units

Authorised Participant can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing); and
- Such amount as the Management Company may consider an appropriate provision for duties and charges.

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the offering document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

4.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting year.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to income statement both at the time of issuance and redemption of units to the extent it pertains to income statement.

4.9 Net assets value per unit

The Net Assets Value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.10 Revenue Recognition

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which transactions takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on bank balances and placements is recognised on time proportionate basis.
- Dividend income on equity securities is recognised when the right to receive the dividend is established. For quoted equity securities, this is usually the ex-dividend date.

4.11 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

5	BANK BALANCES	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
	In savings accounts	5.1	<u>2,353</u>	<u>2,073</u>

5.1 These balances in savings accounts carries profit of 20.50% per annum (2023: 19.50% per annum).

6	INVESTMENTS	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
	Financial asset at fair value through profit or loss			
	- Listed equity securities	6.1	<u>96,206</u>	<u>52,680</u>

6.1 Investments in equity securities - listed

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless otherwise stated.

Investee Company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Market value as at June 30, 2024	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company *
							Net Assets of the Fund	Total Market Value of Investments	
						(Rupees in '000)	%		
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	22,386	70	-	22,456	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES									
Oil and Gas Development Company Limited	56,238	10,857	-	8,159	58,936	7,978	9.02	8.29	0.00
Pakistan Oilfields Limited	7,098	1,296	-	610	7,784	3,813	4.31	3.96	0.00
Pakistan Petroleum Limited	52,962	18,755	-	1,661	70,056	8,204	9.28	8.53	0.00
	116,298	30,908	-	10,430	136,776	19,995	22.61	20.78	
FERTILIZERS									
Engro Corporation Limited	17,472	2,703	-	715	19,460	6,475	7.32	6.73	0.00
Engro Fertilizer Limited	42,588	7,002	-	11,226	38,364	6,377	7.21	6.63	0.00
Fauji Fertilizer Company Limited	36,582	7,513	-	6,843	37,252	6,086	6.88	6.33	0.00
	96,642	17,218	-	18,784	95,076	18,938	21.41	19.69	
CEMENT									
Lucky Cement Limited	10,920	197	-	3,889	7,228	6,554	7.41	6.81	0.00
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited	64,428	8,872	-	6,024	67,276	10,971	12.41	11.40	0.01
COMMERCIAL BANKS									
Bank Alfalah Limited	56,784	47,422	-	56,946	47,260	3,215	3.64	3.34	0.00
Habib Bank Limited	44,772	12,790	-	5,854	51,708	6,413	7.25	6.67	0.00
Bank Al Habib Limited	-	36,820	-	124	36,696	4,117	4.66	4.28	0.00
Meezan Bank Limited	32,760	6,822	-	7,890	31,692	7,587	8.58	7.89	0.00
MCB Bank Limited	-	25,159	-	695	24,464	5,554	6.28	5.77	0.00
United Bank Limited	30,576	6,266	-	5,706	31,136	7,978	9.02	8.29	0.00
	164,892	135,279	-	77,215	222,956	34,864	39.43	36.24	
TECHNOLOGY & COMMUNICATION									
System Pakistan Limited	-	12,299	-	623	11,676	4,884	5.52	5.08	0.00
TRG Pakistan Limited	48,594	11,659	-	60,253	-	-	-	-	-
	48,594	23,958	-	60,876	11,676	4,884	5.52	5.08	
CHEMICAL									
Engro Polymer Chemicals Limited	49,140	-	-	49,140	-	-	-	-	-
Total as at June 30, 2024						96,206	108.79	100.00	
Carrying value as at June 30, 2024						61,203			
Market value as at June 30, 2023						52,680			
Carrying value as at June 30, 2023						55,802			

* "0.00" figure due to rounding off

		2024	2023
	Note	----- (Rupees in '000) -----	-----
6.2	Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - FVTPL		
	Market value of investments	6.1 96,206	52,680
	Less: carrying value of investments	6.2 (61,203)	(55,802)
		<u>35,003</u>	<u>(3,122)</u>
7	DIVIDEND AND PROFIT RECEIVABLE		
	Profit receivable on bank balances	10.1 44	7
	Dividend receivable	10.2 287	-
		<u>331</u>	<u>7</u>
8	ADVANCE TAX		
	Advance tax	8.1 <u>63</u>	<u>63</u>

- 8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 151 and 150. However, withholding taxes on dividends and profit on bank balances paid to the Fund have been deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015, which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends and profit on bank balances as at June 30, 2024, amounts to Rs. 0.063 million (2023: Rs. 0.063 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit on bank balances and dividend amount have been shown as Advance tax as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

		2024	2023
	Note	----- (Rupees in '000) -----	-----
9	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management remuneration	9.1 -	-
	Sindh Sales Tax on management remuneration	9.2 -	-
	Other payable to Management Company	<u>20</u>	<u>20</u>
		<u>20</u>	<u>20</u>

- 9.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration under the following rates:

2024:

- From July 01, 2023 to June 30, 2024, at the rate of 0.00% of the average annual net assets of the Fund.

2023:

- From July 01, 2022 to December 27, 2022, at the rate of 0.75% of the average annual net assets of the Fund.
- From December 28, 2022 to June 30, 2023, at the rate of 0.00% of the average annual net assets of the Fund.

The remuneration is payable to the Management Company monthly in arrears.

- 9.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2011. During the year, Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on management remuneration and sales load.

10	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
			---- (Rupees in '000) ----	
	Trustee remuneration	10.1	8	4
	Sindh Sales Tax on trustee remuneration	10.2	1	1
			<u>9</u>	<u>5</u>

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged its tariff as follows:

Net assets (Rs)	2024	2023
	Fee	
- up to Rs 1,000 million	0.10% per annum of net assets	0.20% per annum of net assets
- exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets, exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets, exceeding Rs 1,000 million

- 10.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2011. During the year, Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on trustee remuneration.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
			---- (Rupees in '000) ----	
	Fee payable	11.1	<u>7</u>	<u>11</u>

- 11.1** Under the provisions of the NBFC Regulations, a collective scheme categorized as "Index" scheme is required to pay an annual fee to SECP at an amount equal to 0.095% (June 30, 2023: 0.02%) per annum of the average net assets of the Fund. The fee is paid monthly in arrears.

	2024	2023
	----- (Rupees in '000) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	314	230
Professional charges payable	134	142
Settlement charges payable	132	-
Printing charges payable	77	10
Withholding tax payable	1	1
Bank charges payable	52	1
Annual listing fee payable	19	-
	<u>729</u>	<u>384</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2024 (June 30, 2023: Nil) except as disclosed elsewhere in these financial statements.

	2024	2023
	----- Number of units -----	
14 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	5,460,000	5,500,000
Add: Units issued against		
- Sale	150,000	10,000
Less: units redeemed	(50,000)	(50,000)
Total units in issue at the end of the year	<u>5,560,000</u>	<u>5,460,000</u>

	2024	2023
	----- (Rupees in '000) -----	
15 AUDITORS' REMUNERATION		
Annual audit fee	200	183
Half yearly review fee	130	118
Other certification	-	100
Out of pocket expenses and others including government levy	267	172
	<u>597</u>	<u>573</u>

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units as the case may be shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the fund for the year ended June 30, 2024 to the unit holders in the manner as explained above. Accordingly, no provision has been made in the financial statements for the year ended June 30, 2024.

17 EARNINGS PER UNIT

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2024 is 2.08% (2023: 2.33%) which includes 0.11% (2023: 0.08%) representing government levies on the Fund such as sales tax, federal excise duty and annual fee to the SECP. The TER excluding government levies is 1.97% (2023: 2.25%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Index" scheme.

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

19.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, any entity in which the Management Company, its CISs or their connected persons have a material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

19.2 Transactions with connected persons / related parties essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

19.3 Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

19.4 Details of transactions with related parties / connected persons during the year are as follows:

	2024	2023
	----- (Rupees in '000) -----	
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited - Management Company	-	197
Sindh Sales Tax on remuneration of Management Company	-	26
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	74	54
Sindh Sales Tax on remuneration of Trustee	10	7
Settlement charges	281	110
Fauji Fertilizer Company Limited - Common Directorship		
Purchase of 7,513 shares (2023: 7,185 shares)	963	738
Sale of 6,843 shares (2023: 2,503 shares)	666	260
Dividend income	574	440
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage expense	38	5
JS Global Capital Limited - unit holder with more than 10% holding		
Units purchased: 150,000 units (2023: 10,000 units)	2,569	96
Units redeemed: 50,000 units (2023: 50,000 units)	295	490

	2024	2023
	----- (Rupees in '000) -----	
19.5 Amounts / balances outstanding as at year end are as follows:		
NBP Fund Management Limited - Management Company		
Other payable to Management Company	20	20
Central Depository Company of Pakistan Limited - Trustee		
Trustee Remuneration	8	4
Sindh Sales Tax payable on Trustee remuneration	1	1
Settlement charges payable	132	-
Fauji Fertilizer Company Limited - Common Directorship		
Shares held - 37,252 shares (2023: 36,582 shares)	6,086	3,601
JS Global Capital Limited - unit holder with more than 10% holding		
Units held: 5,060,000 units (2023: 4,960,000 units)	80,471	48,727
19.6 Other balances due to / from related parties / connected persons are included in the respective notes to these financial statements.		

	June 30, 2024		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000) -----		
20 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets			
Bank balances	2,353	-	2,353
Investments	-	96,206	96,206
Dividend and profit receivable	331	-	331
	<u>2,684</u>	<u>96,206</u>	<u>98,890</u>
Financial liabilities			
Payable to NBP Fund Management Limited - Management Company	20	-	20
Payable to Central Depository Company of Pakistan Limited - Trustee	9	-	9
Dividend payable	9,766	-	9,766
Accrued expenses and other liabilities	728	-	728
	<u>10,523</u>	<u>-</u>	<u>10,523</u>
Net assets attributable to unitholders	<u>88,422</u>	<u>-</u>	<u>88,422</u>

June 30, 2023			
At amortised cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----			
Bank balances	2,073	-	2,073
Investments	-	52,680	52,680
Dividend and profit receivable	7	-	7
	<u>2,080</u>	<u>52,680</u>	<u>54,760</u>
Financial liabilities			
Payable to NBP Fund Management Limited - Management Company	20	-	20
Payable to the Central Depository Company of Pakistan Limited - Trustee	5	-	5
Dividend payable	764	-	764
Accrued expenses and other liabilities	383	-	383
	<u>1,172</u>	<u>-</u>	<u>1,172</u>
Net assets attributable to unitholders	<u>53,639</u>	<u>-</u>	<u>53,639</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The management of these risks is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. IC is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, Offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invests in a portfolio of listed equity securities. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / interest rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at June 30, 2024, the Fund is exposed to such risk on its bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.024 million (2023: Rs. 0.021 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

June 30, 2024					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- (Rupees in '000) -----					
Financial assets					
Bank balances	20.50%	2,353	-	-	2,353
Investment		-	-	96,206	96,206
Dividend and Profit receivable		-	-	331	331
		2,353	-	96,537	98,890
Financial liabilities					
Payable to NBP Fund Management Limited - Management Company		-	-	20	20
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	9	9
Dividend payable		-	-	9,766	9,766
Accrued expenses and other liabilities		-	-	728	728
Net assets attributable to unitholders		-	-	88,422	88,422
		-	-	98,945	98,944
On-balance sheet gap (a)		2,353	-	(2,408)	(54)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		2,353	-	-	-
Cumulative profit rate sensitivity gap		2,353	2,353	2,353	-

June 30, 2023					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- (Rupees in '000) -----					
Financial assets					
Bank balances	19.50%	2,073	-	-	2,073
Investment		-	-	52,680	52,680
Dividend and Profit receivable		-	-	7	7
		2,073	-	52,687	54,760
Financial liabilities					
Payable to NBP Fund Management Limited - Management Company		-	-	20	20
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	5	5
Dividend payable		-	-	764	764
Accrued expenses and other liabilities		-	-	383	383
Net assets attributable to unitholder		-	-	53,639	53,639
		-	-	54,811	54,811
On-balance sheet gap (a)		2,073	-	(2,124)	(51)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		2,073	-	-	-
Cumulative profit rate sensitivity gap		2,073	2,073	2,073	

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 6.1.

In case of 1% increase / decrease in NBP Pakistan Growth Index (NBPPGI) on June 30, 2024, with all other variables held constant, the total comprehensive income of the Fund for the year ended June 30, 2024 would increase / decrease by Rs. 0.962 million (2023: Rs. 0.527 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index has increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation

with the index. This represents management's best estimate of a reasonable possible shift in the NBPPGI, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the NBPPGI, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the NBPPGI.

21.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its bank balances. Risks attributable to bank balances are managed by maintaining balances in banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Fund's bank balances. The bank ratings are based on The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited.

	2024	2023
	----- (Rupees in '000) -----	
Balances with banks		
AA+	2,350	2,070
AA-	3	3
	<u>2,353</u>	<u>2,073</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities, in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's transactions are entered into with credit worthy counterparties thereby mitigating any significant concentration of credit risk.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per NBFC Regulations, the fund can borrow in short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests

qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

Maturity analysis for financial liabilities

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, liabilities that are payable on demand have been included in the maturity grouping of one month:

June 30, 2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----						
Payable to NBP Fund Management Limited - Management Company	20	-	-	-	-	20
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	-	-	-	-	9
Dividend payable	9,766	-	-	-	-	9,766
Accrued expenses and other liabilities	414	314	-	-	-	728
	10,209	314	-	-	-	10,523
Net assets attributable to unitholders	88,422	-	-	-	-	88,422

June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----						
Payable to NBP Fund Management Limited - Management Company	20	-	-	-	-	20
Payable to the Central Depository Company of Pakistan Limited - Trustee	5	-	-	-	-	5
Dividend payable	764	-	-	-	-	764
Accrued expenses and other liabilities	153	230	-	-	-	383
	942	230	-	-	-	1,172
Net assets attributable to unitholders	53,639	-	-	-	-	53,639

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short-term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

International Financial Reporting Standard 13 (IFRS 13), 'Fair Value Measurement' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

		June 30, 2024					
		Carrying value		Fair value			
		At fair value through profit and loss	Amortised cost	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----					
Financial assets measured at fair value							
		96,206	-	96,206	-	-	96,206
Financial assets not measured at fair value							
	23.1						
	Bank balances	-	2,353				
	Dividend and profit receivable	-	331				
		-	2,684				
Financial liabilities not measured at fair value							
	23.1						
	Payable to NBP Fund Management Limited - Management Company	-	20				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	9				
	Dividend payable	-	9,766				
	Accrued expenses and other liabilities	-	728				
	Net assets attributable to unitholders	-	88,422				
		-	98,945				

June 30, 2023						
Carrying value		Fair value				
At fair value through profit and loss	Amortized cost	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets measured at fair value						
Investment - Listed equity securities	52,680	-	52,680	-	-	52,680
Financial assets not measured at fair value 23.1						
Bank balances	-	2,073				
Dividend and profit receivable	-	7				
	-	2,080				
Financial liabilities not measured at fair value 23.1						
Payable to NBP Fund Management Limited - Management Company	-	20				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	5				
Dividend Payable	-	764				
Accrued expenses and other liabilities	-	383				
Net assets attributable to unitholders	23.2	-	53,639			
		-	54,811			

23.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

23.2 Financial instruments not measured at FVTPL include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value.

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Name of broker	2024 % of commission paid	Name of broker	2023 % of commission paid
Taurus Securities Limited	46.42%	Topline Securities Limited	47.16%
Aqeel Karim Dehdi Securities (Pvt.) Ltd.	28.07%	Arif Habib Securities Limited	23.72%
Intermarket Securities	7.11%	Taurus Securities Ltd.	18.38%
Alfalah Securities (Pvt.) Ltd.	6.29%	Insight Securities (Private) Limited	10.74%
Topline Securities Limited	4.20%		
Insight Securities (Pvt.) Ltd.	4.11%		
Foundation Securities	3.80%		

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	"MBA / Doctorate in Business Administration / CFA"	36
Asim Wahab Khan	Chief Investment Officer	CFA	18
Hassan Raza	Head of Research	ACCA / BSC / CFA	13

25.1 The name of the Fund Manager is Salman Ahmed. Other funds managed by the Fund Manager are as follows:

- NBP Government Securities Liquid Fund
- NBP Money Market Fund
- NBP Government Securities Savings Fund
- NBP Mahana Amdani Fund
- NBP Financial Sector Income Fund
- NBP Income Opportunity Fund
- NBP Savings Fund
- NBP Mustahkam Fund - I
- NBP Mustahkam Fund - II
- NBP Income Fund Of Fund
- NBP Government Securities Fund – I
- NBP Islamic Daily Dividend Fund
- NBP Riba Free Savings Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Savings Fund
- NBP Islamic Income Fund
- NBP Islamic Money Market Fund
- NBP Islamic Mustahkam Fund
- NBP Islamic Government Securities Fund – I

26 PATTERN OF UNIT HOLDING

Category	June 30, 2024			June 30, 2023		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Others	2	88,422	100.00%	2	53,639	100.00%

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 92nd, 93rd, 94th, 95th, 96th, and 97th Board Meetings were held on July 12, 2023, September 15, 2023, September 23, 2023, October 30, 2023, February 29, 2024, and April 25, 2024, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held / applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	-
Tauqeer Mazhar	6	5	1	94th Meeting
Mehnaz Salar	6	6	-	-
Ali Saigol	6	6	-	-
Imran Zaffar	6	5	1	92nd Meeting
Khalid Mansoor	6	6	-	-
Saad Amanullah Khan	6	6	-	-
Ruhail Muhammad	6	6	-	-
Amjad Waheed	6	6	-	-

28 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

29 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified wherever necessary to confirm to the presentation adopted in the current year.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2024.

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2024	For the year ended June 30, 2023	For the year ended June 30, 2022	For the year ended June 30, 2021
	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')
Net assets at the year / period ended (Rs. '000')	88422	53639	51,992	61,629
Net Income / (loss) at the year / period ended (Rs. '000')	45413	2790	(8,108)	9,725
Net Asset Value per unit at the year / period ended (Rs.)	15.9033	9.824	9.4530	10.9271
Offer price per unit	N/A	N/A	N/A	N/A
Redemption price per unit	15.9033	9.824	9.4530	10.9271
Ex - Highest offer price per unit (Rs.)	N/A	N/A	N/A	N/A
Ex - Lowest offer price per unit (Rs.)	N/A	N/A	N/A	N/A
Ex - Highest redemption price per unit (Rs.)	16.0181	10.2989	11.1977	11.3811
Ex - Lowest redemption price per unit (Rs.)	9.0681	8.7721	9.3625	9.1936
Fiscal Year Opening Ex Nav	8.5790	9.3200	10.9271	9.3352
Total return of the fund	85.38%	5.41%	-13.49%	17.10%
Capital growth	74.41%	0.33%	-13.49%	9.98%
Income distribution as a % of ex nav	10.97%	5.08%	-	7.12%
Income distribution as a % of par value	17.57%	4.80%	-	8.00%
Distribution				
Interim distribution per unit	1.7565	0.140	-	0.800
Final distribution per unit	-	0.340		
Distribution date				
Interim	27-Jun-24	27-Jun-23	-	19-Jun-21
Final		19-Sep-23		
Average annual return of the Fund (launch date October 06' 2020)				
(Since inception to June 30, 2023)	20.03%			
(Since inception to June 30, 2023)		2.41%		
(Since inception to June 30, 2022)			0.73%	
(Since inception to June 30, 2021)				17.10%

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Pakistan Growth Exchange Traded Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NBP PAKISTAN GROWTH EXCHANGE TRADED FUND			
Resolutions	For	Against	Abstain*
4	4	Nil	N/A
100%	100%	-	-

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